

Analyze:	1044
Load Factor:	14.69%

Date Prepared: August 26, 2008

Prepared For: _____

Prepared by: _____

5 Year Analysis

10 Year Analysis

Lease Assumptions	
Monthly Rental Rate:	\$3.15
Annual Rent Increases:	4.00%
Lease Term (Months):	60
Lease Type:	FSG
Operating Expense Passthrough:	\$0.50
Projected Annual Expense Increase:	2.00%

Lease Assumption Results			
	First Year		10 Year Aggregate
	Monthly	Annual	
Rent:	\$3,288.60	\$39,463	\$473,799.41
Operating Expense:	\$0.00	\$0.00	\$5,949.05

Ownership Assumptions	
Acquisition	
Purchase Price:	\$548,100
Projected Annual Appreciation:	5.00%
Construction	
TI Cost Per Useable SF:	\$35.00
Seller TI Credit Per SF:	\$25.00
Useable Sq. Feet:	891
Financing	
<input type="checkbox"/> SBA	Down Payment %: 25.00%
	Interest Rate: 6.950%
	Interest Only Term: 120
	2nd TD Interest Rate: 0.000%
	2nd TD Loan Term: 240
	1st TD Points: 0.000%
	2nd TD Points: 0.000%
	Fees (Lender, Appraisal, Phase I, etc.): \$0
Ownership Expenses	
	POA Cost Per SF: \$0.29
	Utilities & Janitorial Per SF: \$0.25
	Insurance Expense Per SF: \$0.02
	Other Expense Per SF: \$0.00
	Projected Annual Expense Increase: 2.00%
	Commissions to Sell: 6.00%
	Commissions to Lease: 6.00%

Ownership Assumption Results		
Purchase Price:	\$548,100	PPF: \$525
Tenant Improvement Cost:	\$31,172	
Seller TI Credit:	-\$22,266	
Total Adjusted Price:	\$557,006	PPF: \$534
Down Payment:	\$139,252	
Loan Summary		
	Amount	LTV
New 1st Loan:	\$417,755	75%
New 2nd Loan:	\$0	0%
Monthly Ownership Costs		
	Payment	Cost Per RSF
1st TD Loan Payment:	\$2,419.50	\$2.32
2nd TD Loan Payment:	\$0.00	\$0.00
Real Estate Taxes (Assumes 1.25%):	\$580.21	\$0.56
Property Owner's Association:	\$302.76	\$0.29
Utilities & Janitorial:	\$261.00	\$0.25
Insurance:	\$15.66	\$0.02
Other Expense:	\$0.00	\$0.00
Total Monthly Ownership Cost:	\$3,579.13	\$3.43
Statistics after 10 Years of Ownership (Projected)		
Property Value:	\$907,305	
Estimated Prevailing Lease Rate:	\$4.48	
Total Principal Reduction:	\$0	
Total Equity (Value - Loan Balance):	\$489,550	
Total Depreciation Write-Off:	\$142,822	
Sum of Mortgage Payments:	\$290,340	
Sum of Ownership Expenses:	\$152,372	
Commission To Sell at appreciated value:	\$54,438	
Potential Monthly Rental Income:	\$4,680.70	
Commission to Lease to a new Tenant(5 Year):	\$18,254	

10 YEAR COST TO BUY (Projected)	
Down Payment:	\$139,252
Sum of Mortgage Payments:	\$290,340
Sum of Ownership Expenses:	\$152,372
Total Money out of Pocket:	\$581,963
Total Equity In Property:	\$489,550
Depreciation:	\$142,822
Total Value of Ownership Benefits:	\$632,372
Total Positive Position:	\$50,409

*Check with your CPA regarding further ownership benefits

10 YEAR COST TO RENT (Projected)	
Total Rent Consideration:	\$473,799
Operating Expense Passthrough:	\$5,949
Total Cost to Rent:	\$479,748
Value of 28% Rent Tax Deduction:	\$134,330
Total Cost to Rent:	\$345,419
Analysis Summary	
Total Cost to Rent:	\$345,419
Total Ownership Positive:	\$50,409
Net Difference in Cost:	\$395,828

Westcord has provided this analysis as a tool to depict aspects of ownership vs. leasing. All numbers herein are intended as an example only. Decisions regarding investment, financing, construction, or taxation should be only be considered after receiving the advice of a CPA or attorney